

3 SEPT 61 CHECKLIST (COPY)

1. BRAZIL: a) BOTH HOUSES OF CONGRESS COMPLETED ACTION YESTERDAY TO AMEND THE CONSTITUTION IN ORDER TO SET UP A PARLIAMENTARY GOVERNMENT AND CONFIRM GOULART AS PRESIDENT WITH GREATLY REDUCED POWERS. THE AMENDMENT PROVIDES THAT A PRIME MINISTER "WILL BE RESPONSIBLE FOR GOVERNMENT POLICY AND ADMINISTRATION".

b) A "PROCLAMATION" FROM GOULART WHICH WAS READ OVER THE PORTO ALEGRE RADIO JUST BEFORE MIDNIGHT LAST NIGHT DECLARED THAT HE WOULD GO TO BRASILIA "IN THE NEXT FEW HOURS" IN ORDER "TO JUDGE THE REAL SIGNIFICANCE OF THIS REFORM TO OUR CONSTITUTION AND THEN MAKE MY DECISION". CONGRESS HAS RESCHEDULED HIS INAUGURATION TO TUESDAY. GOULART'S SUPPORTERS IN THE SOUTH BELIEVE HE SHOULD REFUSE TO ACCEPT THE AMENDMENT AND INSIST ON THE FULL POWERS OF THE PRESIDENCY. GOULART'S POSITION WITH POLITICAL LEADERS AND THE GENERAL PUBLIC HAS APPEARED TO STRENGTHEN CONSISTENTLY OVER THE PAST WEEK.

c) THERE HAS BEEN NO PUBLIC RESPONSE BY MILITARY LEADERS TO THE CONGRESSIONAL ATTEMPT TO RESOLVE THE CRISIS. THERE HAVE BEEN CONTINUED REPORTS OF MOVEMENTS BY ARMED FORCES BUT NO FIGHTING HAS OCCURRED. THE US EMBASSY IN RIO BELIEVES THE MILITARY MAY MERELY BE MAKING A SHOW OF FORCE IN ORDER TO WREST THE MAXIMUM CONCESSIONS FROM CONGRESS AND GOULART. HOWEVER, WE EXPECT THEIR WEAKENING POSITION WILL INDUCE THEM TO TRY BARGAINING SOON.

2. BERLIN: THERE IS SOME POSSIBILITY OF INCIDENTS TODAY IN REGARD TO THE STEINSTUECKEN EXCLAVE (SMALL DISTRICT IN SOUTHWEST CORNER OF US ZONE OF WEST BERLIN SURROUNDED BY EAST GERMANY). THE

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EAST GERMANS APPARENTLY INTEND TO PUT UP FENCES ON BOTH SIDES OF THE EIGHT-FOOT ACCESS ROUTES AND THE US CONSULATE-GENERAL FEARS THEY MAY ATTEMPT TO BLOCK IT ENTIRELY. BERLIN HAS ASKED FOR AUTHORITY TO REOPEN THE ROAD BY FORCE IF NECESSARY. EMBASSY BONN CONCURS. NO MAJOR INCIDENTS HAVE BEEN REPORTED SO FAR THIS WEEKEND; RADIO MOSCOW HAS ISSUED A STANDARD BLAST AGAINST THE TAG DER HEIMAT CELEBRATION.

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